

**Massachusetts Bay
Transportation Authority**

Bipartisan Infrastructure Law (BIL) Overview

Audit and Finance Subcommittee

January 20, 2022

Bipartisan Infrastructure Law | Overview

- Authorizes up to \$108 billion nationally for public transportation, including \$91 billion in guaranteed funding over the five-year period (FFY22-26)
- Reauthorizes existing surface transportation programs and appropriates specific funding for certain categories of spending
 - Congress establishes the funding for Federal Transit Administration (FTA) programs through authorizing legislation that amends Chapter 53 of Title 49 of the U.S. Code
 - The Bipartisan Infrastructure Law (BIL) reauthorizes surface transportation programs for FY 2022-2026 and provides advance appropriations for certain programs
- The public transit section of the Bipartisan Infrastructure Law (BIL) provides funding through two channels (1) Federal formula programs and (2) discretionary or competitive grant programs
 - The MBTA will continue to seek out and apply for all eligible competitive funding opportunities, including those managed by the FTA, FHWA, FRA, EPA, etc.
- The FTA has announced four key priorities for public transportation under the legislation: (1) Safety, (2) Modernization, (3) Climate and (4) Equity
- FTA is preparing fact sheets and related information for transit agencies, recipients of federal funding, and other transit stakeholders

Bipartisan Infrastructure Law | Formula Funding

- Predictable formula funding enables transit agencies to better manage long-term assets and address the backlog of state of good repair needs.
 - Each grant program specifies eligible recipients, eligible activities and a local match requirement
 - Annually, Congress appropriates funds, FTA then publishes a Notice in the Federal Register that provides an overview of the apportionments and allocations for the various programs
 - Depending on the program, designated recipients enter into a “split letter” to determine specific funding allocations within the urbanized area (UZA)
 - Direct recipients of Federal funds must take on responsibility for complying with all FTA regulations
- The MBTA is eligible and receives Federal formula funds through three programs:
 - **Urbanized Area Program (Section 5307)** - Funds made available for transit capital and operating assistance in urbanized areas with a population of 50,000 or more. Funds are split between the MBTA and other RTA's within the Boston UZA.
 - **Buses and Bus Facilities (Section 5339)** - Funds to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. Funds are split between the MBTA and other RTA's within the Boston UZA.
 - **State of Good Repair (Section 5337)** - Provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair. Additionally, SGR grants are eligible for developing and implementing TAM plans.

Bipartisan Infrastructure Law | Formula Funding Details

	Section 5307 Urbanized Area Formula Grants	Section 5337 State of Good Repair	Section 5339 Bus and Bus Facilities
Description	Funds made available for transit capital and operating assistance in urbanized areas with a population of 50,000 or more.	Provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair. Additionally, SGR grants are eligible for developing and implementing TAM plans.	Funds to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities
Eligible Activities	Broad eligibility for transit capital projects. Includes planning, design, and engineering activities, bus and fixed-guideway (rail) capital investments, vehicle investments, track, signals and power. Because Boston is an urbanized area with a population >200,000, the MBTA is not able to use 5307 funds for operating assistance.	SGR projects related to fixed guideway (rail) or bus systems, including rehabilitation or replacement of assets. Does not fund modernization or expansion activities, although some projects which fall under our “modernization” category are eligible for 5337 funds. As in Forging Ahead, Section 5307 and 5337 Federal Formula funds can be applied to eligible preventative maintenance expenses on the operating budget.	Capital projects to replace, rehabilitate, and purchase buses, vans, and related equipment, and to construct bus-related facilities. Includes technological changes or innovations to modify low or no emission vehicles or facilities.
Projects currently programmed on the FY22-26 TIP	<ul style="list-style-type: none"> Harvard/Central Elevator Charlestown Bus – Seawall Rehab Green Line Type 10 Light Rail Fleet Replacement Delivery of Up to 460 40ft buses Quincy Bus Facility 	<ul style="list-style-type: none"> Bridges – Design (P0009) Elevator Program (P0066) Symphony Station Improvements (P0168) System-wide Radio (P0301) Power Systems Resiliency (P0705) Systemwide Asset Management Phase 3 (P0904) 	<ul style="list-style-type: none"> Procurement of Battery Electric Buses and Related Infrastructure (P0653)
Annual Apportionment (FFY21 Actuals)	\$147.3M in FFY21 The Boston region receives more than this annually (\$167.1M in FFY21) as funds are split between the MBTA and other RTA's within the Boston UZA.	\$148.5M in FFY21 Funds are allocated based on revenue miles and route miles reported to NTD.	\$6.1M in FFY21

Formula Funding | Initial Estimates

- The Bipartisan Infrastructure Bill establishes a new baseline for Federal Formula funds
 - Previous funding levels were established in the Fixing America's Surface Transportation (FAST) Act of 2015, and these funding levels were *previously* used to estimate available sources in *last* year's FY22-26 Transportation Improvement Program (TIP).
- The following values are estimates based on information released by the House Committee on Transportation and Infrastructure and show an estimated increase of \$580M over five years, which is an additional \$109M - \$124M each year.

FFY22-26 TIP - Annual MBTA Funding Assumptions (\$M)

As programmed in the MBTA's FY22-26 TIP

FTA Formula Funds	FFY22	FFY23	FFY24	FFY25	FFY26	FFY22-26 Total
5307/5340 Funding	\$149.8	\$152.4	\$155.0	\$157.7	\$160.4	\$775.3
5337 Funding	\$151.1	\$153.7	\$156.3	\$159.0	\$161.7	\$781.7
5339 Funding	\$6.2	\$6.3	\$6.4	\$6.5	\$6.6	\$32.1
	\$307.1	\$312.4	\$317.7	\$323.2	\$328.7	\$1,589.1

FFY22-26 FTA Highway Trust Fund and General Fund Authorization by Urbanized Area for the Infrastructure Investment and Jobs Act (\$M)

Based on figures published by the House Committee on Transportation and Infrastructure, including General Fund amounts. Assumes historical allocations between the MBTA and other RTA's within the Boston UZA.

FTA Formula Funds	FFY22	FFY23	FFY24	FFY25	FFY26	FFY22-26 Total
5307/5340 Funding	\$184.8	\$188.7	\$193.7	\$197.7	\$202.7	\$968
5337 Funding	\$225.4	\$229.3	\$234.3	\$238.4	\$243.5	\$1,171
5339 Funding	\$5.8	\$6.0	\$6.3	\$6.4	\$6.7	\$31
	\$416.0	\$424.0	\$434.3	\$442.5	\$453.0	\$2,169.8
Difference	\$108.9	\$111.6	\$116.5	\$119.4	\$124.3	\$580.7

- Numbers will be updated once FTA publishes a Notice in the Federal Register
- Current estimates use historical split percentages between the MBTA and other RTA's within the Boston UZA for Section 5307 and 5339 and assume a General Fund allocation of Section 5337 funds.
- Transit formula funding amounts are subject to change resulting from the 2020 census or from annual transit service data reported to FTA's National Transit Database (NTD)

Bipartisan Infrastructure Law | Competitive Funding

- Discretionary funding refers to programs that determine how much money an individual grantee receives, based on competition
- The BIL establishes competitive channels to distribute funding over the 5-year timeframe of the Authorization
- Existing FTA competitive grant programs:
 - **Low-No Emission Bus Program (5339c)** - \$5.6 billion
 - Funding to state and local government authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction and leasing of required supporting facilities
 - **Bus and Bus Facilities (5339)** - \$2 billion
 - Provides competitive funding to states and direct recipients to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities.
 - **Capital Investment Grants Program** - \$8 billion
 - New Starts: funds for new fixed guideway systems (including BRT) or extensions to existing systems with a total project cost over \$300 million.
 - Small Starts: funds for new fixed guideway systems or extensions to existing systems with a total project cost under \$300 million.
 - Core Capacity: dedicated to improving corridors at or near capacity and increasing capacity by at least 10%.
- New FTA competitive programs:
 - **All Stations Accessibility Program** - \$1.75 billion
 - New competitive grant program that will provide funding to legacy transit and commuter rail authorities to upgrade existing stations to meet or exceed accessibility standards under the ADA.
 - **SGR – Competitive Grants for Rail Vehicle Replacement** - \$1.5 billion
 - New competitive grants for rail rolling stock, as well as for the development and implementation of transit asset management plans
 - **Electric or Low Emitting Ferry Program** - \$500 million
 - Will support the transition of passenger ferries to low or zero emission technologies.

Bipartisan Infrastructure Law | Competitive Funding

- The MBTA *may*, once the Notice of Funding Opportunities (NOFO) are released, have the opportunity to seek discretionary funds through several grant programs managed by other Federal agencies, including:
 - **Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants** - \$15 billion
 - Support surface transportation projects of local and/or regional significance
 - **Infrastructure for Rebuilding America (INFRA) Grant Program** - \$14 billion
 - Aid to freight infrastructure for projects of regional or national significance
 - **MEGA Projects** - \$15 billion
 - New National Infrastructure Project Assistance grant program to support multi-modal, multi-jurisdictional programs of national or regional significance
 - **SMART Grants** - \$1 billion
 - Grants to conduct demonstration projects focused on advanced smart city or community technologies and systems to improve transportation efficiency and safety
 - **PROTECT Program** - \$1.4 billion
 - The Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Program to increase the resilience of our transportation system
 - **Consolidated Rail Infrastructure and Safety Improvements (CRISI)** - \$10 billion
 - Funds to support projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail
 - **Federal-State Partnership for Intercity Passenger Rail** - \$43.5 billion
 - Funds to reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service.

Preparing for Additional Federal Funds

- The MBTA has taken multiple steps to proactively prepare for additional Federal funds
- The MBTA's FY22 Capital Investment Program (CIP) and the Boston region MPO's FY22-26 Transportation Improvement Program (TIP) set a foundation for how the MBTA plans to invest Federal Formula funds up to FAST Act funding levels.
 - The FY22 CIP and FY22-26 TIP identified three investment principles that put the MBTA on the right path for future federal investment.
 - They included:
 1. Continue to prioritize and invest in steady-state asset replacement and modernization
 2. Continue to invest in and support through completion, a number of in-flight capital programs and
 3. Make targeted investments in the next round of transformation programs and establish a strong foundation for future funding opportunities
- The MBTA continues to increase staff capacity and has strengthened internal collaboration efforts to support discretionary grant opportunities
 - Capital planning has brought on-board additional staff, is re-aligning existing staff responsibilities and is actively recruiting additional grant writers, all to support a more robust and strategic grant seeking and writing team.
 - Expert resources in the form of consultant support are on-line to supplement these efforts.
 - The MBTA has established a cross-departmental Capital Funding Working Group to improve transparency and facilitate decision-making as competitive funding opportunities become available.

Preparing for Future Federal Funds | Next Steps

The MBTA has identified the following steps to prepare for additional Federal formula funds and existing and new discretionary opportunities

1. Leverage existing planning processes to identify and prioritize capital projects and needs
 - The MBTA will continue to rely on our annual Capital Investment Program (CIP) planning process (which includes the development of our 5-year Transportation Improvement Program (TIP) to inform how best to utilize all available capital funding sources, including Federal formula funds.
 - The MBTA kicked off the process to develop the FY23-27 CIP in September and expects to release a draft 5-year CIP in March 2022.
2. Continue to expand internal capacity to support a more robust discretionary grant team and strategy
 - Internal staff capacity will continue to be evaluated and expanded to meet the anticipated scale of projected competitive funding opportunities.
 - The Capital Planning team continues to develop a 12–18 month strategy for discretionary funding, which includes the identification of all anticipated funding opportunities, development of a target list of eligible and competitive projects for each opportunity and when appropriate beginning to advance grant development for near-term eligible grants.

Appendix



MBTA History of Successful Competitive Awards

The MBTA has a history of applying for and successfully receiving competitive grant awards from the U.S. Department of Transportation.

FY	Agency	Program	Project	Amount Awarded
2021	USDOT	RAISE	Blue Hill Avenue Multimodal Corridor Project (with the City of Boston)	\$15,000,000
	FEMA	Transit Security Grant Program (TSGP)	Multiple security related projects	\$10,360,000
2020	FEMA	Non-Disaster Grants	Multiple projects	\$1,067,809
	FTA	Passenger Ferry Program	Catamaran overhauls	\$3,500,000
	FRA	Federal-State Partnership for State of Good Repair (SGR)	Worcester Union Station Capacity and Accessibility Improvements	\$29,303,350
2019	FEMA	Transit Security Grant Program (TSGP)	Multiple projects	\$2,662,924
2018	FEMA	Transit Security Grant Program (TSGP)	Multiple projects	\$6,898,333
	FRA	Federal-State Partnership for State of Good Repair (SGR)	Tower 1 Interlocking	\$41,183,845
	FRA	Consolidated Rail Infrastructure & Safety Improvements (CRISI)	PTC (Positive Train Control) Project	\$20,000,000
	FRA	CRISI	PTC Project	\$7,548,335
2017	FEMA	Transit Security Grant Program (TSGP)	Multiple projects	\$9,300,000
	FRA	Positive Train Control Program	PTC Project	\$7,815,963
	FTA	Passenger Ferry Program	Hingham Ferry Dock Replacement	\$6,050,000
2016	FEMA	Transit Security Grant Program (TSGP)	Multiple projects	\$3,986,197
2015	FTA	Passenger Ferry Program	Hingham Ferry Dock Replacement	\$1,000,000

Recently Submitted and Underway Competitive Grant Applications

Recently Submitted Grant Applications

The MBTA is currently awaiting award notifications for the following applications that were submitted

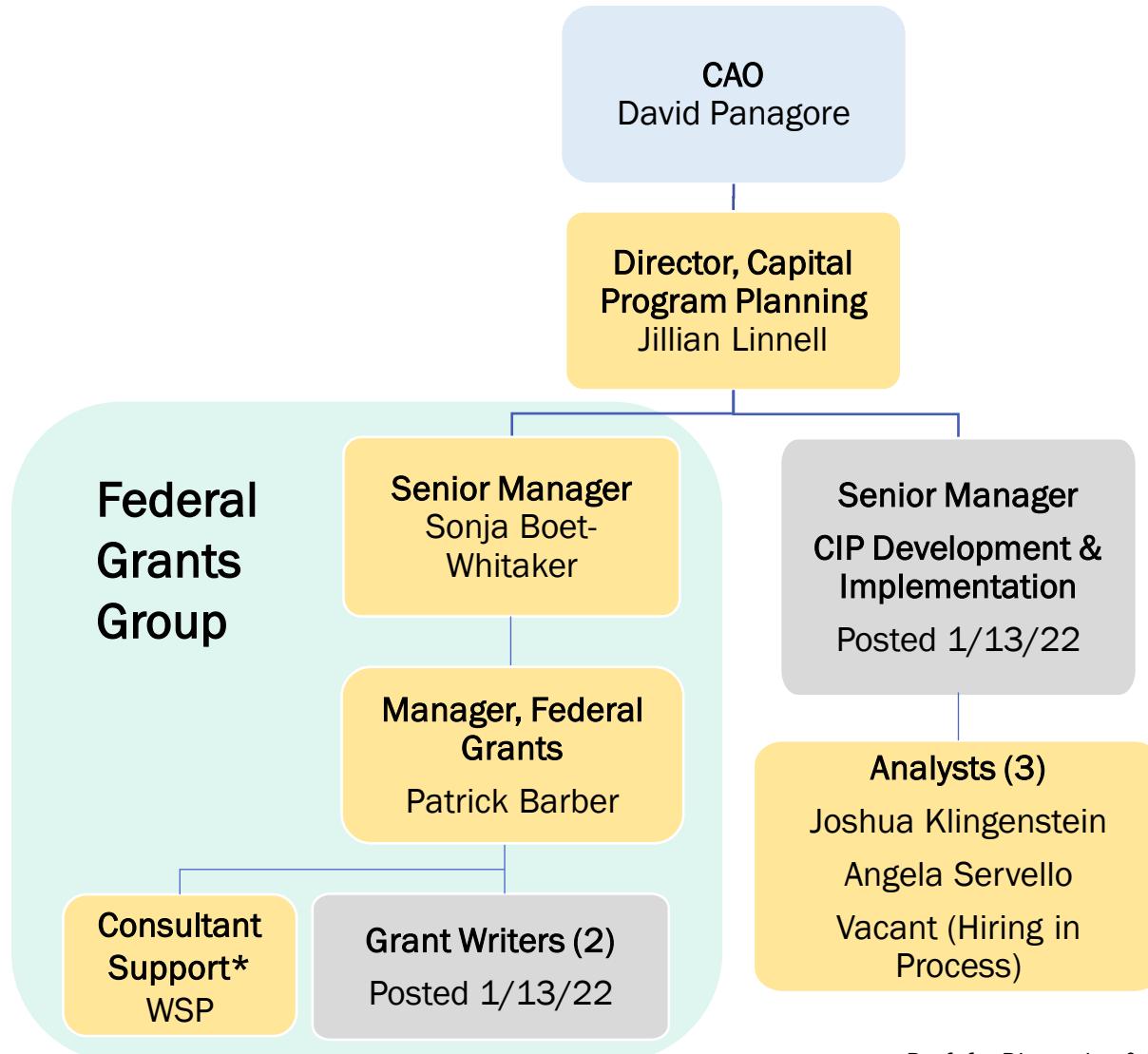
- FHWA Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD)
 - Submitted on: **August 23, 2021**
 - Project: Digital Bus Platform
 - Amount requested: \$2.1 million
 - *Per FHWA, award notifications expected early/mid January 2022*
- FTA Areas of Persistent Poverty Grant Program 2021
 - Submitted on: **August 30, 2021**
 - Project: Meridian St bus corridor study - Bus Priority
 - Amount requested: \$850,000
- FTA Passenger Ferry Program
 - Submitted on: **October 5, 2021**
 - Project: Catamaran overhauls
 - Amount requested: \$3.74 million
- FTA Route Planning Restoration Program
 - Submitted on: **November 15, 2021**
 - Project: Early planning for Chelsea/Everett cross-town bus routes
 - Amount requested: \$1 million
- FTA Bus and Bus Facilities
 - Submitted on: **November 19, 2021**
 - Project: Quincy Bus Maintenance Facility
 - Amount requested: \$21.3 million
- FRA Consolidated Rail Infrastructure and Safety Improvements (CRISI)
 - Capital Project Program
 - Submitted on: **November 29, 2021**
 - Project: Tower 1 Interlocking Upgrades
 - Amount requested: \$15 million
 - Trespass Suicide Prevention Program
 - Submitted on: **November 29, 2021**
 - Project: MBTA Trespass Suicide Prevention
 - Amount requested: \$100,000

Active Grant Opportunities

The MBTA is currently preparing an application for the following active competitive funding opportunities

- FRA State of Federal-State Partnership for Good Repair
 - NOFO released on December 10, 2021
 - Application due by **March 7, 2022**
 - Project must benefit intercity passenger rail
 - Candidate projects are being evaluated
- FEMA Building Resilient Infrastructure and Communities (BRIC) & Hazard Mitigation Grant Program (HMGP)
 - Due to the complexity of the application, MEMA recommends that MBTA apply in the 2022 BRIC cycle or to HMGP first.
 - HMGP deadline: **July 2022**
 - BRIC deadline: **November 2022**
 - Key components of the Systemwide Tunnel Flood Mitigation Program are the current recommended projects:
 - Blue Line Tunnel Airport Portal
 - Alewife Station/Red Line Tunnel
 - SCADA System Connection for Pump Room Equip.
- Under review with MEMA to develop most competitive application for 2022

Capital Program Planning Team



Mission: The Capital Program Planning team is responsible for the development and implementation of the 5-year Capital Investment Plan. The Federal Grants Group within Capital Program Planning oversees the development of the high-level funding strategy for capital projects, which includes the submission of all competitive grant applications.

**Consultant support is available to support the team on all competitive grant submissions.*